

**Magnasonic Canada Ltd.**  
8191 Montview Road  
Montreal 307, Quebec  
(514) 342 0290  
Telex: 01 2985

Exclusive Canadian  
distributor for  
Grundig, JVC, Kenwood  
Sanyo, Selfix

Branch Offices:  
Dartmouth      Calgary  
Toronto        Edmonton  
Winnipeg      Vancouver  
Saskatoon



**AR07**

**INTERIM REPORT TO**

**Magnasonic Canada Ltd. Shareholders**

**FOR THE SIX MONTHS ENDED JUNE 30, 1972**

**REPORT TO SHAREHOLDERS**

We are pleased to report that the company's upward trend in revenues and earnings has continued through the second quarter of the current year.

Revenues for the six months ended June 30, 1972 were \$11,285,831 compared to \$9,960,173 in 1971. Net earnings were \$499,039 or 38.6¢ per share on 1,291,250 shares compared to \$314,173 or 30¢ per share on 1,053,333 shares for the same period in 1971.

On June 18, 1972, our exclusive distributorship contract with Sanyo Electric Trading Company Ltd. of Japan was extended to January 1, 1980, with provision for automatic renewals for further periods of five years each. Since 1955 this contract has been renewed four times, thereby continuing a very favourable long term relationship built up over the past seventeen years.

During this quarter the company continued its drive to expand its existing product lines. Our marketing managers were invited to several European and far eastern countries as well as the United States to examine new lines offered to us for exclusive distribution and to consider potential future Canadian joint venture manufacturing operations. One such agreement was completed early this year with the Thorn Group of electronic companies in the United Kingdom and we have started to distribute some of their products.

Our joint venture in Sanyo Canada Ltd. is proceeding as planned. During this quarter the company commenced assembly of large screen colour television sets and completed the design of a number of stereo products, while continuing to produce black and white television sets. Architectural plans have been completed for the new plant which will be located adjacent to the Magnasonic head office building. We expect that very shortly the company will enter into a construction contract with completion set for early 1973.

Your Directors feel confident that the trend of increasing revenues and profits will continue as we add new lines and expand our marketing and distribution network.

**MAGNASONIC CANADA LTD.**

**Interim Statement of Earnings**

**For the Six Months Ended June 30, 1972**

(With Comparative Figures for 1971)  
(Unaudited)

	June 30, 1972	June 30, 1971
<b>Revenues .....</b>	<b>\$11,285,831</b>	<b>\$ 9,960,173</b>
<b>Earnings on Operations ...</b>	<b>\$ 957,538</b>	<b>\$ 635,708</b>
<b>Provision for income taxes .</b>	<b>\$ 458,499</b>	<b>\$ 321,535</b>
<b>Net Earnings .....</b>	<b>\$ 499,039</b>	<b>\$ 314,173</b>
<b>*Net Earnings per Share ....</b>	<b>38.6¢</b>	<b>30.0¢</b>

\*Based on weighted average  
of shares outstanding  
during the period  
(1972 - 1,291,250 shares; 1971 - 1,053,333)

A statement of source and application of funds is not included because due to the nature of the Company's business, it does not make material investments in fixed assets, nor does it incur long term liabilities.

On Behalf of the Board

Montreal, Quebec  
August 25, 1972

I. Klein  
President

MAGNASONIC CANADA LTD.

INTERIM REPORT TO SHAREHOLDERS



**MAGNASONIC CANADA LTD.**

**Executive and Head Office**  
8191 Montview Road, Montreal

**Branch Offices**

**Toronto**  
14 Banigan Drive, Thorncliffe Park

**Winnipeg**  
33 Stevenson Road

**Edmonton**  
8237 Davies Road

**Calgary**  
419 Manitou Road S.E.

**Vancouver**  
8275 Sherbrooke Street

**Halifax**  
Shannon Plaza Shopping Centre

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Saskatoon



August 25, 1972.

**NEWS RELEASE FOR FINANCIAL PUBLICATIONS**

Magnasonic Canada Ltd. reports that net earnings for the six months ended June 30, 1972 were \$499,039 or 38.6¢ per share on revenues of \$11,285,831 compared to net earnings of \$314,173 or 30.0¢ per share on revenues of \$9,960,173 for the corresponding period in 1971. Earnings per share are calculated on the following weighted monthly average number of shares outstanding during the periods; 1972 - 1,291,250, 1971 - 1,053,333.

Per:

*M Bellman*  
Maurice Bellman, C.A.  
Vice-President, Finance

1970 - 1980 - 1990

1970 - 1980 - 1990

1970 - 1980 - 1990